and the items which are helpful for the manufacture of export-oriented products; and

(d) the export boosts which are expected from the above export linked import transactions?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) Yes, Sir. The Government is already allowing export linked import to promote exports. Under the Import and Export Policy, the imported inputs are allowed by way of import replenishment as the percentage of FOB value of exports and duty free import under Duty Exemption and Import and Export Pass Book Schemes. Besides, import of rough diamonds, gold and silver are also permitted for export of value added products.

(c) and (d) The details of the above said schemes are given in import and Export Policy, 1988-91 (Volume-1).

Trade deficit and depreciation in the value of rupee

2454. DR. G. VIJAYA MOHAN REDDY:
DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of FINANCE be pleased to state:

(a) what is the trade deficit in the first quarter of 1988-89 as compared to the same period of 1987-88; and

(b) whether there is also a steady depreciation of value of rupee compared with other currencies and if so, how do Government propose to counter act the above two maladies in our economy?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The provisional trade data indicates the trade deficit of Rs. 2074 crores in the first quarter of 1988-89 as against Rs. 1396 crores in the corresponding period of last year.

(b) The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies. In a regime of floating exchange rates, upward or downward movements of the value of rupee, which depends upon the fluctuations in the value of these currencies, is a normal phenomenon.

Special Action Plan drawn by the Government for balance of payments turn-around aims inter-alia at measures to generate additional exports and contain imports and thereby reduce the trade deficit in the current year.

Fraud in RBI at Bhubaneswar

2455. SHRI BASUDEB MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that lakhs of rupees have been defrauded in the Reserve Bank of India at its Bhubaneswar Branch Orissa;

(b) if so, what action has been taken in the matter; and

(c) what is the total amount involved in alleged fraud?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) The Reserve Bank of India has reported that in February, 1988, their Bhubaneswar Office had come across mutilated notes of Rs. 100/- denomination passed for payment at the office. The mutilations were of suspicious nature. In July, 1988 also the above office had come across several notes of Rs. 100/- denomination with punch marks already on

them having presented over the counter and payment obtained fraudulently. The preliminary investigations made by the Reserve Bank of India reveal that the amount involved in the fraud is Rs. 12,30,300/- comprising 12,303 pieces of Rs. 100/- denomination notes. In this connection, fifteen employees of Reserve Bank of India have been suspended.

The existing procedures are reasonably sound. The above incident has occurred apparently due to complicity of certain persons in circumventing the rules and negligence of a few others in supervising the operations. The Reserve Bank of India has impressed on all its offices to follow the existing checks and precautions meticulously. The Reserve Bank of India has also constituted a special team to go round its offices for surprise checks so that the prescribed procedures are strictly followed.

कपास का उत्पादन लक्ष्य

2456. **श्री मीर्जा ईर्शादबेग** : क्या वस्त्र मंत्री यह बताने की कृपा करेंगे कि :

(क) चालू वर्ष के लिए प्रत्येक राज्य द्वारा कपास के उत्पादन का कितना कितना लक्ष्य निर्धारित किया गया है ;

(ख) कपड़ा मिलों की वार्षिक कपास आवश्यकता कितनी-कितनी निर्धारित की गई है ; और

(ग) कपास के आयात-निर्यात के संबंध में क्या निर्णय लिया गया है ; यदि कोई निर्णय नहीं लिया गया है, तो कब तक ले लिए जाने की संभावना है और निर्णय लेने में बिलम्ब के क्या कारण हैं ?

वस्त्र मंत्रालय में राज्य मंत्री (श्री रफीक आलम) : (क) चालू रुई वर्ष के दौरान प्रत्येक राज्य के लिए रुई उत्पादन हेतु कोई विशेष लक्ष्य निर्धारित नहीं किया गया है ।

(ख) रुई सलाहकार बोर्ड ने चालू रुई वर्ष के दौरान मिल में रुई की खपत के लिए 95 लाख गांठों का अनुमान लगाया है ।

(ग) रुई के संबंध में आयात तथा निर्यात के निर्णय कुल उपलब्धता घरेलू खपत के लिए आवश्यकताओं, घरेलू तथा अन्तर्राष्ट्रीय कीमत रुपयों, आदि जैसे सभी संबंधित मुद्दों पर ध्यानपूर्वक विचार करने के बाद लिए जाते है । वर्तमान समय में चल रही रुई स्थिति से न तो रुई के आयात की और न निर्यात की आवश्यकता है ।

2457. [Transferred to the 5th December, 1987]

Release of relief funds to States

2458. SHRI RAM AWADESH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether ad hoc and unconstitutional methods in release of Government relief funds by Government are causing concern to several States; and

(b) whether the Finance Commission is expected to make guidelines for release of such funds and if so, what are the reasons for referring this matter to the Planning Commission as reported in the Indian Express dated 17th October, 1987?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) No ad hoc and unconstitutional methods in release of relief have been adopted by Government of India. The policy relating to financing of expenditure incurred by State Governments for relief of natural calamities is based on the recommendations of the Eighth Finance Commission, which is applicable uniformly to all the States.

(b) Under its terms of reference, the Ninth Finance Commission is required to review the policy and arrangements in regard to financing of